

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature <i>Siegfried Crandall P.C.</i>			Date	

Township of Leroy
Calhoun County, Michigan
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
Year ended March 31, 2005

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INDEPENDENT AUDITORS' REPORT

**Board of Trustees
Township of Leroy, Michigan**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Leroy, Michigan, as of March 31, 2005, and for the year then ended, which collectively comprise the Township's basic financial statements, as listed in the contents. These financial statements are the responsibility of the Township of Leroy, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Leroy, Michigan, as of March 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 10, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of April 1, 2004.

The budgetary comparison information on pages 16 through 17, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. Leroy Township, Michigan has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the financial statements.

Board of Trustees
Township of Leroy, Michigan
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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Leroy, Michigan's, basic financial statements. The supplementary information, as listed in the contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Siegfried Crandall P.C.

May 18, 2005

BASIC FINANCIAL STATEMENTS

Township of Leroy
STATEMENT OF NET ASSETS
March 31, 2005

	<u>Governmental activities</u>
ASSETS	
Current assets:	
Cash	\$ 571,095
Investments	303,327
Receivables (net)	<u>40,135</u>
Total current assets	914,557
Noncurrent assets:	
Capital assets (net of accumulated depreciation)	<u>571,412</u>
Total assets	<u>1,485,969</u>
LIABILITIES	
Current liabilities:	
Payables	12,005
Current portion of long term debt	<u>27,848</u>
Total current liabilities	39,853
Noncurrent liabilities:	
Long term debt	<u>43,553</u>
Total liabilities	<u>83,406</u>
NET ASSETS	
Invested in capital assets, net of related debt	500,011
Restricted	1,483
Unrestricted, undesignated	<u>901,069</u>
Total net assets	<u>\$ 1,402,563</u>

See notes to financial statements

Township of Leroy
STATEMENT OF ACTIVITIES
Year ended March 31, 2005

	<u>Program Revenues</u>				<u>Net (expenses) revenues and changes in net assets</u>
	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	<u>Governmental activities</u>
Functions/Programs					
Governmental activities:					
Legislative	\$ 3,238	\$ -	\$ -	\$ -	\$ (3,238)
General government	240,000	13,600	7,296	-	(219,104)
Public safety	49,550	-	-	-	(49,550)
Public works	103,914	5,611	-	11,458	(86,845)
Community and economic development	15,459	-	-	-	(15,459)
Culture and recreation	<u>2,826</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,826)</u>
Total governmental activities	<u>\$ 414,987</u>	<u>\$ 19,211</u>	<u>\$ 7,296</u>	<u>\$ 11,458</u>	<u>(377,022)</u>
General revenues:					
Taxes					80,610
State grants					221,362
Licenses and permits					60,458
Investment income					8,106
Other					<u>150</u>
Total general revenues					<u>370,686</u>
Change in net assets					(6,336)
Net assets - beginning					<u>1,408,899</u>
Net assets - ending					<u>\$ 1,402,563</u>

See notes to financial statements

Township of Leroy
BALANCE SHEET - governmental funds
 March 31, 2005

	<u>General</u>	<u>Total nonmajor governmental funds</u>	<u>Total governmental funds</u>
ASSETS			
Cash	\$ 569,612	\$ 1,483	\$ 571,095
Investments	303,327	-	303,327
Receivables	<u>40,135</u>	<u>-</u>	<u>40,135</u>
Total assets	<u>\$ 913,074</u>	<u>\$ 1,483</u>	<u>\$ 914,557</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Payables	<u>12,005</u>	<u>-</u>	<u>12,005</u>
Fund balances:			
Unreserved, undesignated	<u>901,069</u>	<u>1,483</u>	902,552
Total liabilities and fund balances	<u>\$ 913,074</u>	<u>\$ 1,483</u>	

Amounts reported for *governmental activities* in the statement of net assets (page 5) are different because:

Capital assets used in *governmental activities* are not financial resources and, therefore, are not reported in the funds.

571,412

Long-term liabilities, including contracts payable, are not due and payable in the current period and, therefore, are not reported in the funds.

(71,401)

Net assets of *governmental activities*

\$ 1,402,563

Township of Leroy

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN

FUND BALANCES - governmental funds

Year ended March 31, 2005

	<u>General</u>	<u>Total nonmajor governmental funds</u>	<u>Total governmental funds</u>
REVENUES			
Taxes	\$ 80,610	\$ -	\$ 80,610
Licenses and permits	60,458	-	60,458
State grants	221,362	-	221,362
Charges for services	24,973	284	25,257
Interest and rentals	9,351	5	9,356
Other	11,608	-	11,608
Total revenues	<u>408,362</u>	<u>289</u>	<u>408,651</u>
EXPENDITURES			
Legislative	3,238	-	3,238
General government	193,321	-	193,321
Public safety	46,675	-	46,675
Public works	103,914	-	103,914
Community and economic development	15,459	-	15,459
Culture and recreation	2,826	-	2,826
Capital outlay	91,004	-	91,004
Debt service:			
Principal	26,935	-	26,935
Interest	2,875	-	2,875
Total expenditures	<u>486,247</u>	<u>-</u>	<u>486,247</u>
NET CHANGE IN FUND BALANCES	<u>(77,885)</u>	<u>289</u>	<u>(77,596)</u>
FUND BALANCES - BEGINNING	<u>978,954</u>	<u>1,194</u>	<u>980,148</u>
FUND BALANCES - ENDING	<u>\$ 901,069</u>	<u>\$ 1,483</u>	<u>\$ 902,552</u>
Net change in fund balances - total governmental funds			\$ (77,596)
Amounts reported for <i>governmental activities</i> in the statement of activities (page 6) are different because:			
Increase:			
Capital outlay			87,643
Payment of principal on long term liabilities			26,935
Decrease:			
Provision for depreciation			(43,318)
Change in net assets of <i>governmental activities</i>			<u>\$ (6,336)</u>

See notes to financial statements

Township of Leroy
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Township of Leroy, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies.

a) Reporting entity:

The accompanying financial statements present only the Township. There are no component units, entities for which the Township is considered to be financially accountable.

b) Government-wide and fund financial statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Township. The effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The major individual governmental fund is reported as a separate column in the fund financial statements.

c) Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

Township of Leroy
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c) *Measurement focus, basis of accounting, and financial statement presentation* (continued):

The Township reports the following major governmental fund:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

d) *Assets, liabilities, and net assets or equity*:

i) *Bank deposits* - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

ii) *Receivables* - In general, outstanding balances between funds are reported as "due to/from other funds." No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

iii) *Capital assets* - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning April 1, 2004.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	15 - 60 years
Equipment	3 - 5 years
Vehicles	3 - 5 years
Roads	5 - 30 years

iv) *Fund equity* - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Township of Leroy
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

d) Assets, liabilities, and net assets or equity:

v) *Property tax revenue recognition* - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, after which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is December 1, and, accordingly, the total levy is recognized as revenue in the current year.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year. The Township had no budget variations requiring disclosure.

NOTE 3 - CASH AND INVESTMENTS:

The Township's total cash and investments are reported as follows:

	<u><i>Governmental activities</i></u>
Deposits	\$ 570,745
Cash on hand	350
Investments	<u>303,327</u>
	<u>\$ 874,422</u>

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township. State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority. At March 31, 2005, the Township has deposits with a carrying amount of \$570,745 and a bank balance of \$597,592. Of the bank balance, \$327,743 is covered by federal depository insurance and \$269,849 is uninsured.

Township of Leroy
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CASH AND INVESTMENTS (Continued):

Investments:

State statutes authorize the Township to invest in a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper, with three (3) highest rate classifications by at least two (2) rating services, maturing not later 270 days; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; e) mutual funds; and f) investment pools organized under the local government investment pool act. Not more than 50% of any fund may be invested in commercial paper.

Investments at March 31, 2005, consist of the following:

U.S. government securities	<u>\$ 303,327</u>
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The Township's investments are categorized to give an indication of the level of risk assumed by the entity at year end. Category 2 includes U.S. government securities, which are uninsured and unregistered investments for which the securities are held by the trust department of a financial institution in the Township's name. Investments are carried at cost which approximates fair market value.

NOTE 4 - RECEIVABLES:

Receivables as of year end for the Township's individual major and nonmajor funds, in the aggregate, are as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Property taxes</u>	<u>Totals</u>
General	<u>\$ 34,213</u>	<u>\$ 5,922</u>	<u>\$ 40,135</u>

All receivables are considered fully collectible, and are due within one year.

Township of Leroy
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - CAPITAL ASSETS:

Capital asset activity for the year ended March 31, 2005, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated - land	<u>\$ 4,000</u>	<u>\$ 32,143</u>	<u>\$ -</u>	<u>\$ 36,143</u>
Capital assets being depreciated:				
Buildings	<u>295,508</u>	<u>-</u>	<u>-</u>	<u>295,508</u>
Equipment and vehicles	<u>661,217</u>	<u>55,500</u>	<u>-</u>	<u>716,717</u>
Subtotal	<u>956,725</u>	<u>55,500</u>	<u>-</u>	<u>1,012,225</u>
Less accumulated depreciation for:				
Buildings	<u>111,385</u>	<u>6,953</u>	<u>-</u>	<u>118,338</u>
Equipment and vehicles	<u>322,253</u>	<u>36,365</u>	<u>-</u>	<u>358,618</u>
Subtotal	<u>433,638</u>	<u>43,318</u>	<u>-</u>	<u>476,956</u>
Total capital assets being depreciated (net)	<u>523,087</u>	<u>12,182</u>	<u>-</u>	<u>535,269</u>
Governmental activities capital assets, net	<u>\$ 527,087</u>	<u>\$ 44,325</u>	<u>\$ -</u>	<u>\$ 571,412</u>

Depreciation expense was charged to functions of the Township as follows:

Governmental activities:	
General government	<u>\$ 19,196</u>
Public safety	<u>24,122</u>
Total governmental activities	<u>\$ 43,318</u>

NOTE 6 - LONG-TERM DEBT:

The following is a summary of long-term debt transactions for the year ended March 31, 2005:

	<u>April 1, 2004</u>	<u>Issued</u>	<u>Retired</u>	<u>March 31, 2005</u>
Note Payable				
\$137,091 installment purchase agreement under P.A. 99, September 20, 2002, to purchase a fire truck, payments are due in monthly installments of \$3,370 including interest; final payment is due July 2005.	<u>\$ 98,336</u>	<u>\$ -</u>	<u>\$ (26,935)</u>	<u>\$ 71,401</u>

Township of Leroy
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - LONG-TERM DEBT (Continued):

Annual debt service requirements to maturity for the note payable, including interest of \$3,122, are as follows:

2006	\$ 29,809
2007	29,809
2008	<u>14,905</u>
	<u>\$ 74,523</u>

NOTE 7 - CONSTRUCTION CODE ACT:

A summary of construction code enforcement transactions for the year ended March 31, 2004, is as follows:

Permit Revenue	\$ 60,180
Expenses	<u>58,013</u>
Excess of revenue over expenses	<u>\$ 2,167</u>

NOTE 8 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 9 - RESTRICTED NET ASSETS:

Governmental activities net assets as of March 31, 2005, are restricted for the following purposes:

Utility system maintenance	<u>\$ 1,483</u>
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NOTE 10 - CHANGE IN ACCOUNTING PRINCIPLES:

Effective April 1, 2004, the Township implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, along with all related statements and interpretations. In connection with the implementation of this statement, the following adjustments to beginning net assets have been made to reflect the cumulative effect of this accounting change:

Township of Leroy
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - CHANGE IN ACCOUNTING PRINCIPLES (Continued):

Net assets as previously reported	
General and special revenue funds	\$ 980,148
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	527,087
Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(98,336)</u>
Net assets, as restated	<u>\$ 1,408,899</u>

REQUIRED SUPPLEMENTARY INFORMATION

Township of Leroy
BUDGETARY COMPARISON SCHEDULE - General Fund
Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Taxes	\$ 73,256	\$ 73,256	\$ 80,610	\$ 7,354
Licenses and permits	46,770	46,770	60,458	13,688
State grants	214,500	214,500	221,362	6,862
Charges for services	7,830	7,830	24,973	17,143
Interest and rentals	21,050	21,050	9,351	(11,699)
Other	11,594	11,594	11,608	14
	<u>375,000</u>	<u>375,000</u>	<u>408,362</u>	<u>33,362</u>
Total revenues				
EXPENDITURES				
Legislative	<u>4,100</u>	<u>4,100</u>	<u>3,238</u>	<u>862</u>
General government:				
Supervisor	17,159	17,159	16,089	1,070
Election	5,950	5,550	3,924	1,626
Assessor	20,030	20,030	19,644	386
Clerk	23,955	24,955	23,952	1,003
Board of review	2,150	2,150	1,100	1,050
Treasurer	28,689	28,689	26,632	2,057
Hall and grounds	54,680	10,863	5,210	5,653
Cemetery	32,792	32,792	18,792	14,000
Other	85,600	94,117	77,978	16,139
	<u>271,005</u>	<u>236,305</u>	<u>193,321</u>	<u>42,984</u>
Total general government				
Public safety:				
Fire	<u>76,615</u>	<u>74,115</u>	<u>46,675</u>	<u>27,440</u>
Public works:				
Highways and streets	37,795	37,795	37,004	791
Street lights	11,075	11,075	8,637	2,438
Other	65,300	64,100	58,273	5,827
	<u>114,170</u>	<u>112,970</u>	<u>103,914</u>	<u>9,056</u>
Total public works				
Community and economic development - planning and zoning	<u>21,300</u>	<u>21,500</u>	<u>15,459</u>	<u>6,041</u>

Township of Leroy**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued)				
Recreation and culture - parks and recreation	<u>9,500</u>	<u>9,500</u>	<u>2,826</u>	<u>6,674</u>
Capital outlay	<u>-</u>	<u>128,700</u>	<u>91,004</u>	<u>37,696</u>
Debt service - principal	<u>26,935</u>	<u>26,935</u>	<u>26,935</u>	<u>-</u>
Debt service - interest	<u>2,875</u>	<u>2,875</u>	<u>2,875</u>	<u>-</u>
Total expenditures	<u>526,500</u>	<u>617,000</u>	<u>486,247</u>	<u>130,753</u>
 NET CHANGE IN FUND BALANCES	 (151,500)	 (242,000)	 (77,885)	 164,115
 FUND BALANCES - BEGINNING	 <u>978,954</u>	 <u>978,954</u>	 <u>978,954</u>	 <u>-</u>
 FUND BALANCES - ENDING	 <u>\$ 827,454</u>	 <u>\$ 736,954</u>	 <u>\$ 901,069</u>	 <u>\$ 164,115</u>

SUPPLEMENTARY INFORMATION

Township of Leroy
BALANCE SHEET - nonmajor governmental fund
March 31, 2005

	<u>Utility Fund</u>
ASSETS	
Cash	<u>\$ 1,483</u>
FUND BALANCE	
Unreserved, undesignated	<u>\$ 1,483</u>

Township of Leroy

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - *nonmajor governmental funds***

Year ended March 31, 2005

	<u><i>Utility Fund</i></u>
REVENUES	
Charges for Services	\$ 284
Interest	<u>5</u>
NET CHANGE IN FUND BALANCES	289
FUND BALANCES - BEGINNING	<u>1,194</u>
FUND BALANCES - ENDING	<u>\$ 1,483</u>